SCOTT M MATHESON

GORDON L. HARMSTON Executive Director, NATURAL RESOURCES

> CLEON B. FEIGHT Director

## STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING 1588 West North Temple Salt Lake City, Utah 84116 (801) 533-5771

June 1, 1978

OIL, GAS AND MINING BOARD

STEWART Chairman

CHAP : R. HENDERSON JOHN L. BELL · . . . . IS W. BOX C. FRY JUVELIN

Mr. Skylar Parker Urango Mining Co., Inc. P.O. Box 757 Durango, CO. 81301

Dear Mr. Parker:

As I explained to you over the phone on the 30th, we have been requested by Mr. John Blake of the Division of State Lands to work with you in preparing a complete Mining and Reclamation Plan for your operation on Section 36, Township 31 South, Range 11 East, Garfield County, Utah. You have properly complied with the Utah Mined Land Reclamation Act when you filed a Declaration of Exemption with us on June 12nd 1977, however, a general policy of the Division of State Lands is to require, under their authority, a complete reclaration plan of all operators of State mining leases, even those exempted from our authority.

Please review the enclosed material on the Reclamation Act and regulations, complete the forms and file them with this office. Take special note of Rule M-10 which was recently added to the regulations and which is not specifically addressed in the Forms MR-1 and MR-2. You should write a short narrative addressing each part of Rule M-10 specifically saying which parts are not applicable and why, and further, committing to compliance with those parts which are applicable. We will review your file and arrange an on-site inspection.

When we approve the plan we will prepare a reclamation surety estimate for the owner of record of the lease to inspect, as well as State Lands. We understand that Minerals Recovery Corporation is the lessee and therefore would be responsible for posting the surety with State Lands. The details on the required form of surety should be taken up with the Division of State Lands.

Please call if you have any questions.

Sincerely,

Brian W. Buck Heb BRIAN W. BUCK

ENGINEERING GEOLOGIST

cc: John Blake, State Lands, Del Partridge, MRC

Enclosures: Law Book, Forms MR-1, MR-2, (These forms are enclosed for your proposed mine on Section 2)